

AMENDED IN ASSEMBLY JANUARY 6, 2014

AMENDED IN ASSEMBLY MARCH 19, 2013

CALIFORNIA LEGISLATURE—2013–14 REGULAR SESSION

ASSEMBLY BILL

No. 674

Introduced by Assembly Member Quirk-Silva
(Principal coauthor: Assembly Member Brown)

February 21, 2013

An act to amend Section 18000 of the Business and Professions Code, relating to small business regulations.

LEGISLATIVE COUNSEL'S DIGEST

AB 674, as amended, Quirk-Silva. Microenterprise.

Existing law defines microenterprise as a sole proprietorship, partnership, or corporation that has fewer than 5 employees, including the owner, and generally lacks access to conventional loans, equity, or other banking services, as provided. *Existing law distinguishes microenterprises from small businesses or microbusinesses.* Existing law encourages specified local agencies to access, include, and promote local partnerships that invest in microenterprise development, as provided. *Existing law defines a "microenterprise development provider" to mean a nonprofit or public agency that provides self-employment training, technical assistance, and access to microloans to individuals seeking to become self-employed or to expand their current business.*

This bill would ~~expand~~ *modify* the definition of microenterprise to ~~include those entities that have fewer than 10 employees, including the owner, as prescribed~~ *also include a limited liability company, increase the number of employees to 5 or fewer, and require that the entity*

generally lack sufficient access to conventional loans, equity, or other banking services. The bill would delete those provisions expressly distinguishing microenterprises from small businesses or microbusinesses. The bill would modify the definition of microenterprise development provider to also include a nonprofit organization or public agency that provides self-employment training, technical assistance, and access to microloans to a microbusiness seeking to expand its current business.

Vote: majority. Appropriation: no. Fiscal committee: no.
State-mandated local program: no.

The people of the State of California do enact as follows:

1 SECTION 1. Section 18000 of the Business and Professions
2 Code is amended to read:
3 18000. (a) ~~(1)~~ For purposes of this part, “microenterprise”
4 means a sole proprietorship, partnership, *limited liability company*,
5 or corporation that meets all of the following requirements:
6 ~~(A)~~
7 ~~(1) Has fewer than 10 five or fewer employees, including the~~
8 ~~owner, who may be part time or full time.~~
9 ~~(B) Is part time or full time.~~
10 ~~(C)~~
11 (2) Generally lacks *sufficient* access to conventional loans,
12 equity, or other banking services.
13 ~~(2) Microenterprises are distinct from small businesses or~~
14 ~~microbusinesses and include, but are not limited to, businesses~~
15 ~~that provide child development services, businesses that provide~~
16 ~~landscaping services, businesses that provide building maintenance,~~
17 ~~businesses that provide personal and business services, businesses~~
18 ~~that provide specialty food products, and home-based businesses.~~
19 (b) For purposes of this part, “microenterprise development
20 provider” means a nonprofit *organization* or public agency that
21 provides self-employment training, technical assistance, and access
22 to microloans to individuals seeking to become self-employed or
23 to a *microbusiness seeking to expand their* its current business.